Government of Saskatchewan

Annual Statistical Report 1990-1991

Saskatchewan Health

Prescription Drug Services Branch

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Prescription Drug Services

Objectives

The objectives of the Prescription Drug Plan are to:

1. Provide coverage to Saskatchewan residents for quality pharmaceutical products of proven therapeutic effectiveness.

2. Reduce the direct cost of prescription drugs to Saskatchewan residents.

3. Reduce the cost of drug materials by encouraging effective price competition and quantity discounts.

4. Encourage the rational use of prescription drugs through research, consultation with professional associations, and educational programs directed at physicians, pharmacists and the general public.

The Plan is administered by the Prescription Drug Services Branch of Saskatchewan Health.

History

1. The Prescription Drug Plan began providing benefits on September 1, 1975.

2. In addition to drugs listed in the formulary, certain other drugs are eligible if specific criteria are met.

3. The Prescription Drug Services Branch is the paying agent for Supplementary Health and Saskatchewan Aids to Independent Living (SAIL). Payment is made to pharmacies for non-formulary prescription drugs that are benefits for specific clients of these agencies.

4. On July 1, 1987, the Prescription Drug Plan changed from a fixed co-payment coverage program to a basic deductible and percentage co-payment program, except for those residents entitled to special health benefits.

5. On January 1, 1989 the Branch eliminated patient paper claims by installing Point Of Sale terminals for each pharmacy to submit claims information electronically.

6. On January 1, 1989, the Prescription Drug Services Branch expanded coverage to eligible drugs purchased anywhere in Canada.

Additional Background to the Plan

The Prescription Drug Plan was designed in consultation with physicians, pharmacists and pharmaceutical wholesalers.

Some of the original design criteria are:

1. The consumer will pay a portion of the prescription cost.

2. A drug formulary system will be used. Only drugs proven to be therapeutically effective and made by accepted manufacturers will be eligible for coverage.

3. The existing wholesale and pharmacy retail distribution systems will be used.

The enabling legislation for the Prescription Drug Plan, The Prescription Drugs Act, was assented to on May 10, 1974.

The Plan in Brief

All Saskatchewan residents who hold valid Saskatchewan Health Services Cards, except those who have prescription costs paid by another federal or provincial government agency, are eligible to receive benefits of the Prescription Drug Plan.

Drugs eligible for coverage must be prescribed by a licensed physician or dentist and must be listed in the most current edition of the Saskatchewan Formulary, or approved by Exception Drug Status.

The range of drugs listed in the Formulary enables physicians to select appropriate courses of therapy for most patients. Drugs are under continual review, and drugs may be added to or deleted from the Formulary as each new addition is published.

Consumers exempted from the deductible program pay no more than $3.95 for each prescription for drugs eligible under the Prescription Drug Plan. This level was unchanged since 1984.

Beneficiaries eligible under the deductible program may in certain circumstances pay the entire prescription cost at the time of purchase. Claims may be submitted to the Prescription Drug Plan for 80% reimbursement of approved costs in excess of the deductible level. On March 8, 1991, the reimbursement level became 75%.

On January 1, 1989 automated systems were implemented to eliminate consumer submission of claims for prescriptions purchased on and after January 1, 1989. With this change beneficiaries pay the entire prescription cost at the time of purchase only up to the deductible level, and 20% of the prescription cost thereafter, for the balance of the calendar year. On March 8, 1991, 20% became 25%.

The Prescription Drug Services Branch provides personnel and financial support to the Saskatchewan Formulary Committee, the Drug Quality Assessment Committee, the Joint Committee on Drug Utilization, and the Advisory Committee on Safe Use of Medicines.

Highlights for 1990-91

- Ninety-four percent of Saskatchewan residents were eligible to receive benefits under the Prescription Drug Plan.
- An average 13.1 prescriptions were dispensed to each active beneficiary exempt from the deductible program. An average 7.6 prescriptions were dispensed to each active beneficiary under the deductible program.
- An average 16.1 prescriptions were dispensed to each family unit exempt from the deductible program. An average 12.8 prescriptions were dispensed to each family unit under the deductible program.
- The Prescription Drug Plan paid an average share of 60.4% of the total prescription costs for those under the deductible program, and 92.0% of the total prescription costs for those exempt from the deductible program.
- There were 5.6 million prescriptions processed during the fiscal 12 month period.
- Net Prescription Drug Plan payment for formulary drugs and exception status drugs was $89.7 million during the fiscal 12 month period.
- Pharmacies dispensed 19,351 prescriptions for eligible drugs to beneficiaries receiving additional assistance under the Special Drug Benefits Program.
- Pharmacies dispensed 206,737 prescriptions for eligible drugs to beneficiaries in licensed Special-Care Homes who were exempted from the deductible plan, and contributed a per prescription patient share maximum of $3.95, until March 8, 1991, at which time they became part of the deductible plan.
- 117 new products were added to the Saskatchewan Formulary bringing the total number of drug products listed to 2,046.
- Two editions of the Saskatchewan Formulary Bulletin were released during the year. These presented information to physicians and pharmacists about new products added to the Formulary.
- In negotiation with the Saskatchewan Pharmaceutical Association, the dispensing fee for drugs increased from $6.25 to $6.50 effective October 1, 1990.
- Terminally ill patients covered under The Palliative Care Program received 9,763 prescriptions at no charge. This program was introduced on July 1, 1987.
- The average drug cost in a prescription was $16.59.
- During the year, the Prescription Drug Plan provided funding support for:

  a) the College of Medicine Roving Professorship Program which brings information on current drug therapy to physicians in smaller communities throughout the province.

  b) the College of Pharmacy Dial Access Drug Information Service, a province wide drug information service for health professionals.

  c) the Consumer Drug Information Service, Canada's first province-wide telephone drug information service for consumers.

  d) the Triplicate Prescription Program, a three part written prescription to monitor prescribing for a select panel of prescription drugs with intent to reduce abuse and diversion.

- Controlled release of information from the data base has been used to fulfill a variety of epidemiological and other research requests.

Organization of the Prescription Drug Services Branch

Administrative Organization

Executive Director

The Executive Director is responsible for the overall management of the Prescription Drug Services Branch. The Executive Director serves as principal contact on matters of policy and procedures with representatives of pharmacy, medicine, drug wholesalers and drug manufacturers, as well as related sectors in other provincial governments and the federal government, and other agencies with health care involvement.

Administration Division

The Administration Division is responsible for: developing and implementing the administrative policies and procedures; maintaining the Drug Plan data base; specification and production of statistical information; and preparation of the Annual Statistical Report.

Functions include: budget preparation and forecast monitoring; space, property and supply management; pharmacy audit; processing of revenue accounts and expenditures (excluding pharmacy claims); ensuring families and pharmacies receive payment; processing of manual claims payment; preparation of reports, materials and financial data for year end statements; mail services, and other administrative functions.

The Division provides support services to other Branch functions, including personnel, team clerical, and space co-ordination.

The Audit Section conducts post-audits of pharmacy claims to ensure compliance with the Pharmacy Proprietor/Province of Saskatchewan Agreement.

Claims Division

The objectives of the Claims Division are to: provide accurate and prompt payment; maintain efficient and cost-effective operation and processing; maintain claims credibility with pharmacists and family beneficiaries.

The Claims Division is responsible for the processing and payment of accounts submitted by participating pharmacies and eligible families. These accounts are submitted via telecommunication, and, in some cases, paper claims.

Computer services necessary for processing data and claims are co-ordinated by this Division and supplied by Westbridge Computer Corporation and Co-operators Data Services Ltd., under contract to Saskatchewan Health.

Processing and payment of pharmacy claims involves the combined efforts of several sections in the Claims Division. The Systems Section provides analysis and detail design for changes to manual and computer processing of claims. This section also has responsibility for systems control measures, implementation and testing.

The Special Claims Section receives, screens, and assesses incoming claims, then transfers the information from these claims to enable on line computer processing of accounts. Assessment and approval of accounts for payment are performed by computer. Each claim is checked against stored information to determine whether it can be approved for payment.

The Inquiry and Verification Section manages the pharmacy and consumer information toll-free phone lines. This section also manages the selection of claims for verification by the beneficiary, and follow-up.

The Claims Division is also responsible for communication with pharmacies regarding Prescription Drug Services Branch claims operations. The division issues periodic bulletins to pharmacies and maintains the Pharmacy Manual.

Professional Services Division

The Professional Services Division is responsible for all matters related to the selection, assurance of quality, acquisition and review of use of all drugs eligible for coverage under the Prescription Drug Plan. It is also responsible for communications with consumers, prescribers and pharmacists in matters related to informed, responsible drug use.

This division is comprised of three units, the Formulary and Education Unit, the Drug Research Unit, and the Special Benefits Unit.

The functions of the Formulary and Education Unit include: providing support services to the Drug Quality Assessment Committee and the Saskatchewan Formulary Committee in the review of products under consideration for listing in the Formulary; evaluation of drug costs and preparation of use/cost analysis reports; forwarding recommendations of the Saskatchewan Formulary Committee regarding listing of products, and designation of interchangeable status; publishing and distribution of the Saskatchewan Formulary; ongoing surveillance of manufacturers to ensure compliance with acceptable standards of manufacturing practice; and encouraging rational use of drugs by developing and supporting education programs and services for consumers, physicians and pharmacists.

This Unit is also responsible for ensuring that pharmacies have available to them a continuous supply of quality drugs at reasonable prices; arranging for the acquisition and distribution of drug products listed in the Saskatchewan Formulary by tendering of Standing Offer Contracts for commonly used products and establishing Maximum Allowable Costs in other cases.

The Drug Research Unit provides support services to the Joint Committee on Drug Utilization. Activities include research into the use of drugs, comparison of Saskatchewan data with reports of studies in other areas, preparation of background information for review by the Committee, and other quality-assurance initiatives.

Support services are also provided by this Unit to the Advisory Committee on Safe Use of Medicines. This Committee provides advice and recommendations on strategies and opportunities to promote more appropriate use of prescription and over-the-counter drugs. Quality of care concerns identified by this Committee may be referred to the Joint Committee on Drug Utilization.

This Unit also initiates, directs, and coordinates research projects using Prescription Drug Plan claims data. These projects include in-house drug-use studies and collaborative research projects with outside agencies. The Unit administers the Branch policy and program for release of information, providing assurance that all requirements for confidentiality are met.

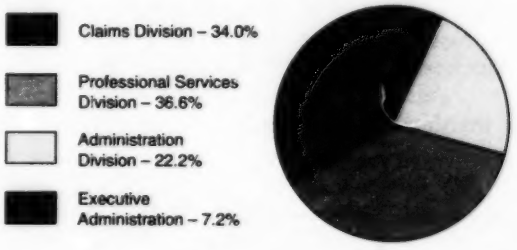
This Unit is also responsible for the provision of advisory or consultative services to Saskatchewan Health and outside agencies in matters related to drug use.

The Special Benefits Unit reviews requests from physicians and evaluates and authorizes special categories of drug coverage (for example, Exception Drug Status, Palliative Care, and Plan Two coverage for Saskatchewan Assistance Plan beneficiaries) when appropriate.

This Unit is also responsible for administering the Special Drug Coverage program by receiving applications from beneficiaries, reviewing and costing the applications, and communicating recommendations of the Drug Benefits Review Panel. The Unit also provides liaison and support services to the Hospital Services Branch Advisory Committee on Institutional Pharmacy Practice.

Administrative Disbursements

Figure 1
Administrative Disbursements



The total administrative costs for the fiscal year are separated by Division in Figure 1. The percent allocated to each Division is indicated. The figure illustrates that 29% of these disbursements (approximately 0.5% of total program costs) are used to administer the program, and that 36.6% of the disbursements are used to support activities related to assurance of quality and encouragement of the rational use of prescription drugs. For ease of discussion the Divisions and their general functions appear to be distinct. However, the efficiency of the Prescription Drug Plan depends on overall interdependence of the Divisions.

Benefits of the Prescription Drug Plan

With the exception of insulin and urine testing agents for diabetics, a prescription from a physician or dentist is required for all drugs eligible under the Drug Plan.

These drugs include all products listed in the Saskatchewan Formulary and certain products for specific individuals, granted through Exception Drug Status authorization.

Formulary Drugs

All drugs listed in the most current edition of the Saskatchewan Formulary are eligible under the Prescription Drug Plan.

Exception Drug Status

Drugs not listed in the Saskatchewan Formulary may be eligible for exception drug status if one of the following criteria is met:

1. The drug is ordinarily administered only to hospital in-patients but is being administered outside of a hospital because of unusual circumstances;

2. The drug is not ordinarily prescribed or administered in Saskatchewan, but is being prescribed because it is required in the diagnosis or treatment of an illness, disability, or condition rarely found in Saskatchewan;

3. The drug is infrequently used because Formulary preparations are usually effective, but are contraindicated or found to be ineffective due to the clinical condition of the patient;

4. The drug has been deleted from the Formulary but is required by patients previously stabilized on the drug;

Requests for Exception Drug Status must be made by a physician or dentist. Requests may be mailed or telephoned. A 24 hour toll-free prescriber-line is provided by the Prescription Drug Services Branch.

Patients granted such approval are notified by letter, and the claims processing system is updated to accept claims for these drugs via telecommunications.

Patients are responsible to pay their share of costs, just as they would if the drug were listed in the Saskatchewan Formulary.

Products for Diabetics

Persons with diabetes may obtain insulin, urine testing agents, blood glucose testing agents and oral hypoglycemics as benefits under the Prescription Drug Plan, if those products are listed in the Saskatchewan Formulary.

In order to receive coverage, diabetics require a prescription for blood glucose testing agents and oral hypoglycemics, but not for insulin or urine testing agents.

A reduced charge of $1.00 is applied to each package of insulin or urine testing agent obtained. A charge of 20% of the total prescription cost is applied to the purchase of each blood testing agent. These charges are maximums, regardless of level of deductible credits achieved. On March 8, 1991 the 20% charge became 25%.

Over-The-Counter-Products

Over-the-counter (OTC) products are generally not included as benefits of the Prescription Drug Plan.

Special Drugs

The Prescription Drug Plan provides coverage for the full cost, paid directly to the pharmacy, of certain rarely used drugs which are extremely expensive. Examples include Cyclosporin (used to prevent rejection following organ transplant) and AZT (used to treat A.I.D.S patients). In these cases, no charges are asked of the patient.

The Saskatchewan Formulary

The Prescription Drug Services Branch prepares and maintains the Saskatchewan Formulary. The Formulary serves as the list of products eligible under the Prescription Drug Plan and as the Interchangeable Drug Index (IDI). Only those products meeting high standards for quality, safety and therapeutic effectiveness are considered for listing. Cost considerations relative to benefits offered are always part of listing decisions.

Drugs listed in the Formulary are under continual review and additions and deletions are recommended when necessary. A revised edition of the Formulary is published twice yearly. The Saskatchewan Formulary Committee is the major resource toward compilation of the Formulary.

The unit drug material cost appears in the Formulary for those products where a Standing Offer Contract (tender) (SOC) is awarded, and for other products as quoted by manufacturers for the smallest commercially available package size.

Saskatchewan Formulary Committee

The Saskatchewan Formulary Committee is appointed by the Minister of Health to provide advice in the compiling and maintaining of the Saskatchewan Formulary.

This Committee also identifies those products which are "interchangeable". Interchangeable products are different brands of the same drug which are equivalent in therapeutic effectiveness and quality.

Part of the Committee's ongoing work is to review new drug products and to re-evaluate listed products based on new information about use, effects, and cost.

The Prescription Drug Services Branch provides resources and staff support to the Committee.

Members of the Saskatchewan Formulary Committee as at March 31, 1991 were:

Prof. J. L. (Jack) Summers .....Chairman
Dr. M. W. Davies .....Saskatchewan Medical Association
Dr. R. Herman .....College of Medicine
Mr. G. Peters.....Saskatchewan Health
Dr. G. B. Pylypchuk .....College of Physicians and Surgeons of Saskatchewan
Mr. N. Shevchuk.....Saskatchewan Pharmaceutical Association
Dr. Y. Shevchuk .....College of Pharmacy
Dr. L. Strand .....Saskatchewan Health
Ms. Beverley Winter.....Saskatchewan Registered Nurses' Association
Mr. M. Wolfe.....Saskatchewan Health-Care Association

Drug Quality Assessment Committee

The Drug Quality Assessment Committee is appointed by the Minister of Health to advise the Saskatchewan Formulary Committee. The members of this committee are knowledgeable in the clinical use of drugs, pharmacology, and drug manufacturing.

This Committee reviews drug products based on information and reports obtained from manufacturers and independent consultants, manufacturing documents and published literature. Recommendations regarding the clinical effectiveness and quality of products are then submitted to the Saskatchewan Formulary Committee.

The Prescription Drug Services Branch provides resources and staff support to the Committee.

Members of the Drug Quality Assessment Committee as at March 31, 1991 were:

Dr. R. Herman.....Chairman
Dr. D. K. J. Gorecki.....Pharmaceutical Chemistry
Dr. I. Holmes.....Internal Medicine
Dr. Y. Shevchuk.....Clinical Pharmacy
Dr. A. E. Somerville.....Internal Medicine
Dr. J. Tuchek.....Pharmacology
Dr. T. W. Wilson.....Clinical Pharmacology
Dr. D. Zuck.....Pharmaceutics
Prof. J. L. (Jack) Summers.....Ex-Officio Member

Joint Committee on Drug Utilization

The Joint Committee on Drug Utilization is appointed by the Minister of Health to consider quality of care issues as they pertain to drug use. The Committee's terms of reference are as follows:

1. To identify areas of concern related to drug utilization.

2. To carry out study and analysis related to the concerns identified.

3. To recommend appropriate methods of dealing with concerns related to drug utilization and its impact on the quality of care.

4. To provide information that can be used in educational programs for the public and the health professions.

The Prescription Drug Services Branch provides resources and staff support to the Committee.

Members of the Joint Committee on Drug Utilization as at March 31, 1991 are:

Vacant.....Chairman College of Pharmacy
Dr. R. C. Bowen.....College of Medicine
Vacant.....Saskatchewan Medical Association
Ms. M. Loschuk.....Saskatchewan Registered Nurses' Association
Ms. V. Schwabe.....Saskatchewan Pharmaceutical Association
Dr. T. A. Wigmore.....College of Physicians and Surgeons
Mr. T. Quinn.....Saskatchewan Health

Eligibility for Coverage

Saskatchewan residents registered with Saskatchewan Health are eligible for benefits under the Prescription Drug Plan unless coverage is provided by another federal or provincial government or non-government agency. The Saskatchewan Drug Plan was instituted, not as a replacement program, but as a coverage vehicle for those residents without other federal or provincial coverage.

Exclusions from Coverage

The following categories of persons are not eligible for Prescription Drug Plan coverage because coverage is provided by other agencies:

1. Registered Indians (federal government responsibility)

2. Department of Veterans Affairs beneficiaries (federal government responsibility)

3. Royal Canadian Mounted Police (dependents are covered by the Prescription Drug Plan)

4. Canadian Forces Personnel (dependents are covered by the Prescription Drug Plan)

Consumer Cost Share

Most consumers pay the full cost of most drugs eligible under the Prescription Drug Plan up to the family deductible, and once the deductible is paid, a computer claims system and network informs the pharmacy that the 20% charge is in effect.

The 1991 calendar year deductible is $125.00 for each family unit, except seniors. The deductible is $50.00 for single seniors, and $75.00 for senior families (where any family member is 65 years or older). The deductible levels remained unchanged from 1987.

Certain consumers are exempted from deductibility. These consumers are Special-Care Home Residents (until March 8, 1991), Social Assistance Recipients, and those registered under the Palliative Care Program. Those with high drug cost and approved by the Drug Benefits Review Panel are granted certain privileges to purchase prescriptions upon up-front payment of 20% of the total prescription cost, with waiver of the deductible. Diabetics can purchase insulin and urine testing agents by paying $1.00 per package, and can purchase blood glucose testing agents by paying 20% of the prescription cost, regardless of their deductible status.

Effective March 8, 1991 the consumer share was increased to 25% from 20%.

Saskatchewan Assistance Plan Beneficiaries

Residents receiving benefits through the Saskatchewan Assistance Plan are entitled to Prescription Drug Plan benefits at a reduced charge, or at no charge depending on their level of coverage. Deductibles are waived.

a. Plan One Coverage

Plan One beneficiaries 18 years or older are entitled to receive insulin, oral hypoglycemics, injectable vitamin B_{12}, allergenic extracts, oral contraceptives and some products used in megavitamin therapy at no charge. These beneficiaries pay a reduced charge, to a maximum of $2.00, for all other Formulary drugs and Exception Drug Status products.

Dependents under 18 are entitled to receive all Formulary drugs, allergenic extracts, megavitamins and approved Exception Drug Status products at no charge.

b. Plan Two Coverage

Beneficiaries receiving Plan Two coverage are entitled to receive all Formulary drugs, allergenic extracts, megavitamins and approved Exception Drug Status products at no charge.

Plan Two coverage is provided to assist Plan One beneficiaries who require several drugs on a regular long-term basis. Eligibility for Plan Two coverage is determined on the basis of a physician's review of medication requirements, and application to the Prescription Drug Services Branch.

c. Plan Three Coverage

Plan Three beneficiaries are entitled to receive all Formulary drugs and certain non-Formulary drugs at no charge. Non-Formulary drugs are covered by the Medical Services Division (M.S.D. also covers the cost of megavitamins and allergenic extracts for Plan One and Plan Two beneficiaries.)

Plan Three beneficiaries are residents receiving supplementary income assistance who live in Special-Care homes licensed under The Housing and Special-Care Homes Act, Approved Homes licensed under The Mental Health Act, and Wards of the province.

S.A.I.L. Beneficiaries

Saskatchewan Aids to Independent Living (S.A.I.L.) pays for all non-Formulary disease-related drugs used by Special Beneficiaries nominated by S.A.I.L. Special Beneficiaries include paraplegics, persons with cystic fibrosis or persons with chronic end-stage renal disease.

These beneficiaries are entitled to receive all prescribed Formulary drugs and disease-related non-Formulary drugs at no charge.

Special-Care Home Residents

For residents of Special Care homes licenced by the Department of Health under the Housing and Special Care Homes Act, the deductible does not apply. These beneficiaries receive eligible prescriptions for a fixed maximum co-payment of $3.95. This level is unchanged from 1984. On March 8, 1991, these residents became part of the standard deductible plan.

Palliative Care Program

For persons registered under the Palliative Care Program of the Prescription Drug Services Branch, the deductible does not apply. Prescriptions for eligible drugs are provided to them at no charge, a benefit first introduced in 1987.

Special Drug Benefits

Through the Drug Benefits Review Panel, a mechanism exists to enable the review of situations where families or individuals may experience difficulty in meeting payment obligations under the Drug Plan. The three member panel is comprised of representatives of the College of Physicians and Surgeons of Saskatchewan, the Saskatchewan Pharmaceutical Association, and the Saskatchewan Department of Health. Members are appointed by the Minister of Health.

Based upon review of information provided by applicants, the Panel may recommend and make available additional benefit for eligible drugs.

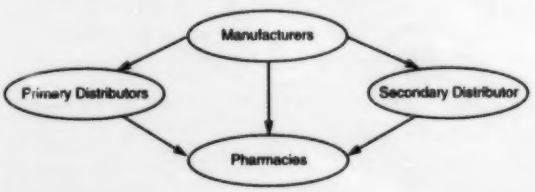
Paying Agency

The Prescription Drug Services Branch functions as a paying agency for M.S.D. and S.A.I.L. for those additional benefits provided to Saskatchewan Assistance Plan beneficiaries and S.A.I.L. Special Beneficiaries.

The appropriate costs are subsequently recovered from M.S.D. and S.A.I.L. by the Prescription Drug Services Branch.

Drug Acquisition and Distribution Network

A continual supply of quality drugs at competitive prices is ensured using the following distribution network:



Distributors purchase drug products from manufacturers and sell them to pharmacies. Pharmacies may also purchase directly from the manufacturer.

As of March 31, 1991, there were four (4) distributors serving the province, three primary and one secondary.

Pricing Formulary Products

In order to ensure price stability for the six month effective Formulary period, the Prescription Drug Services Branch requires drug manufacturers to provide guaranteed maximum prices for the period. The Formulary periods are from January 1 to June 30 and July 1 to December 31 of each year. The prices constitute the maximum the Prescription Drug Plan will consider for those products during the effective Formulary period. Where products are purchased at less than the maximum, the lower price will apply.

Standing Offer Contracts (S.O.C.) are obtained on certain high volume products.

An S.O.C. is a tendered contract between a manufacturer and the Prescription Drug Services Branch to supply specific drug products to approved distributors at a contracted price, and for the specified six month period.

The S.O.C. may not always go to the lowest bidder. Other factors, including an allowance to the previous contract holder, ability to meet supply and distribution commitments, and research and development allowances are also considered.

Once an S.O.C. has been granted, the Prescription Drug Plan will pay only for the S.O.C. drug in an interchangeable category unless the prescriber has specified "no-substitution" of the brand prescribed.

Participating Pharmacies

All pharmacies providing automated benefit services of the Prescription Drug Plan must sign an Agreement with Saskatchewan Health.

At March 31, 1991, there were 334 pharmacies delivering Prescription Drug Plan eligible services.

Pharmacy Reimbursements

According to the October 1988 — September 1991 Agreement between Saskatchewan Health and pharmacy Proprietors, the pharmacy receives its acquisition cost of drug material, along with a mark-up plus a dispensing fee for each prescription.

The maximum dispensing fee in effect on April 1, 1990 was $6.25. The maximum mark-up allowance is calculated on the drug cost in the prescription as follows: 30% for drug cost up to $5.49, 15% for drug cost between $5.50 and $13.74, and 9% for drug cost of $13.75 and over.

For insulin and urine testing agents, the Prescription Drug Plan pays the pharmacy the cost of the drug material, plus a percentage markup (33 1/3% for insulin, 50% for urine testing agents), less a maximum consumer charge of $1.00.

The maximum dispensing fee was increased on October 1, 1990 to $6.50. The maximum mark-up allowance calculated on the drug cost in the prescription was changed to: 30% for drug cost up to $5.70, 15% for drug cost between $5.71 and $14.29, and 10% for drug cost of $14.30 and over.

Consumers pay the pharmacy for the full cost of the prescription. Once the deductible is paid, the pharmacy charges the consumers only 20% and transmits a claim to the Prescription Drug Services Branch for the remaining 80%. Consumers therefore are no longer required to submit claims for eligible drug benefits when the drugs are purchased in Saskatchewan. On March 8, 1991, the consumer share became 25%.

Consumers exempted from the deductible program continue to pay a maximum of $3.95 as their portion of the total prescription cost. The Pharmacy, for these consumers, continued as in the past to submit claims to the Prescription Drug Services Branch to recover the balance of the costs of the prescription.

Between April 1, 1990 and March 31, 1991, the Prescription Drug Plan paid a total of $89.7 million for Formulary and Exception Status Drug prescriptions.

Prescription Quantities

The Prescription Drug Plan does not limit the quantities of drugs allowed by a prescription. Physicians determine the course and duration of treatment for their patients, limited only by regulations governing the practice of pharmacy.

The Prescription Drug Plan, however, can limit the maximum quantity for which it will pay benefits at any one time. In addition, the pharmacist is entitled to charge a fee for each 34 day supply (or lesser) for most drugs listed in the Formulary.

Product Interchangeability

The Saskatchewan Formulary Committee has identified approximately 370 interchangeable drug groups. Interchangeable products are different brands of the same drug with the same strength and dosage form, that are equivalent in therapeutic effectiveness and quality.

When a prescription is filled for a drug in an interchangeable category, payment is based on the lowest-priced product in that category. For example, if an interchangeable group contains the following brands at the unit prices shown:

Brand 1	$0.0180
Brand 2	0.0190
Brand 3	0.0235
Brand 4	0.0235
Brand 5	0.0252
Brand 6	0.0410

and the physician prescribes any brand in this category, the pharmacist will be reimbursed for the drug dispensed to a maximum of 1.8¢ per unit for those claims submitted to the Drug Plan. If,

however, Brand 1 has a Standing Offer Contract, the Prescription Drug Plan will not reimburse the pharmacy unless that brand was dispensed. If a prescription is ordered for any brand other than the low-cost brand listed, and is supported by a "no-substitution" order from the prescriber, reimbursement will be based on the costs of the brand so ordered.

Claims Processing

An on-line computer network transmits prescription information from the pharmacy to a central computer where it is adjudicated. Information regarding cost responsibility is then transmitted back to the pharmacy, outlining the consumer portion of cost that the pharmacy collects, as well as the balance of cost that will be paid to the pharmacy by the Drug Plan.

In the fiscal year ending March 31, 1991, 5.6 million prescriptions were processed for Formulary and Exception Status drugs.

Data Base Information

The Prescription Drug Services Branch has established policies and guidelines governing access to and use of data base information. These policies and guidelines are necessary to protect the confidentiality of patient information.

All requests for such information must be in writing and addressed to the Executive Director.

Statistical Synopsis

Eligible Population (At June 30, 1990)

A total of 966,525 individuals, within 493,934 family units are eligible to receive Prescription Drug Plan benefits.

Population Receiving Benefits

A total of 688,041 individual beneficiaries purchased eligible prescriptions. This represents 71.2% of eligible individuals. In this same period, 71,319 individual beneficiaries who were exempted from the deductible program received benefits through the Drug Plan.

Utilization

Each active family under the deductible program received an average of 12.8 prescriptions. In this same period, each active family exempted from the deductible program received an average of 16.1 prescriptions.

Each active beneficiary under the deductible program received an average of 7.6 prescriptions. Each active beneficiary exempted from the deductible received an average of 13.1 prescriptions.

Prescription Drug Plan beneficiaries were divided into three general categories for statistical purposes: Standard Beneficiaries, Saskatchewan Assistance Plan Recipients and Special Beneficiaries (Table VII). Standard Beneficiaries received 84.2% of prescriptions and were responsible for 76.8% of the total Prescription Drug Plan payment. Saskatchewan Assistance Plan beneficiaries received 8.0% of all prescriptions and accounted for 10.4% of total expenditures. Special Beneficiaries received 7.8% of all prescriptions and accounted for 12.8% of total expenditures.

Figure 2 presents, by age group, the distribution of Prescription Drug Plan beneficiaries as compared to the eligible population and the percentage of total prescriptions dispensed to each age group. This figure shows that prescription drug utilization increased with age. The highest percent of prescriptions was in the 55 years and older group, particularly those 65 to 75 years. The 65 + age group accounted for 14.2% of the eligible population, represented 18.2% of Prescription Drug Plan active beneficiaries, and received 40.1% of all prescriptions.

Figure 3 presents the percentage of total Prescription Drug Plan prescriptions dispensed to males and females by age group. Females received an average of 6.9 prescriptions per eligible female beneficiary in the fiscal year compared to 4.6 prescriptions per eligible male beneficiary.

In this fiscal year, 55.6% of the active beneficiaries were female and made up 50.0% of the covered population. Females accounted for 60.2% of all prescriptions, averaging 8.7 prescriptions per active beneficiary compared to 7.3 prescriptions for active male beneficiaries. For all age groups beyond age 14, females received more prescriptions per active beneficiary.

Figure 2

Active Beneficiaries and Prescriptions Dispensed by Age Groups

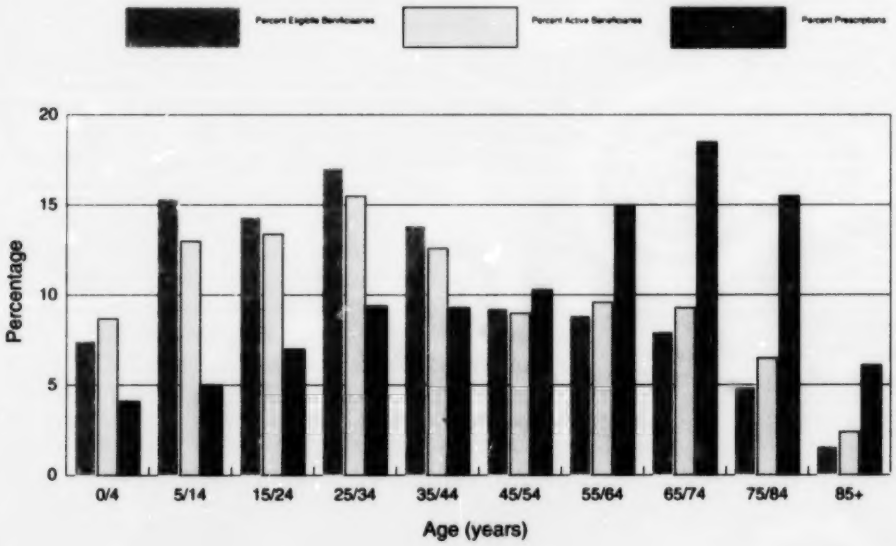
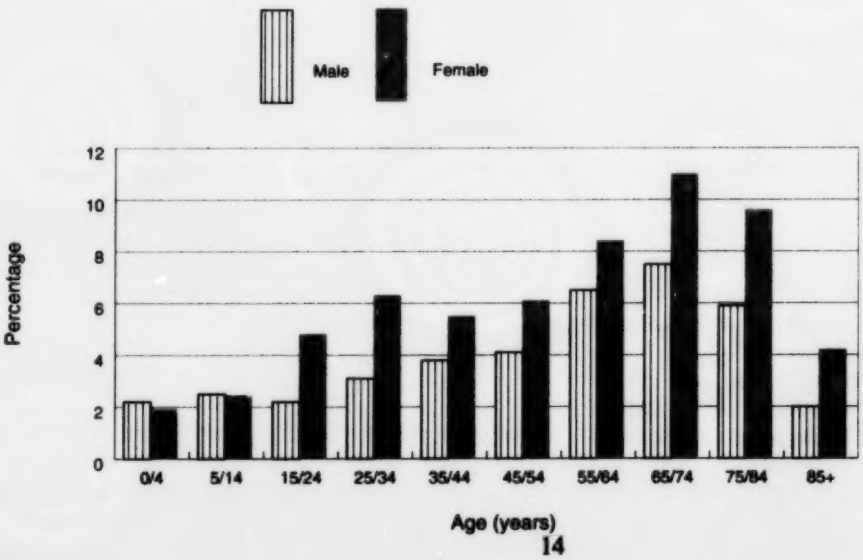


Figure 3

Percentage Total Prescriptions by Sex and Age Group



Value of Benefits Received

The Average Prescription Drug Plan payment on behalf of each active family under the deductible program was $187.73, and to each family exempted from the deductible program was $380.73.

Family Unit Type

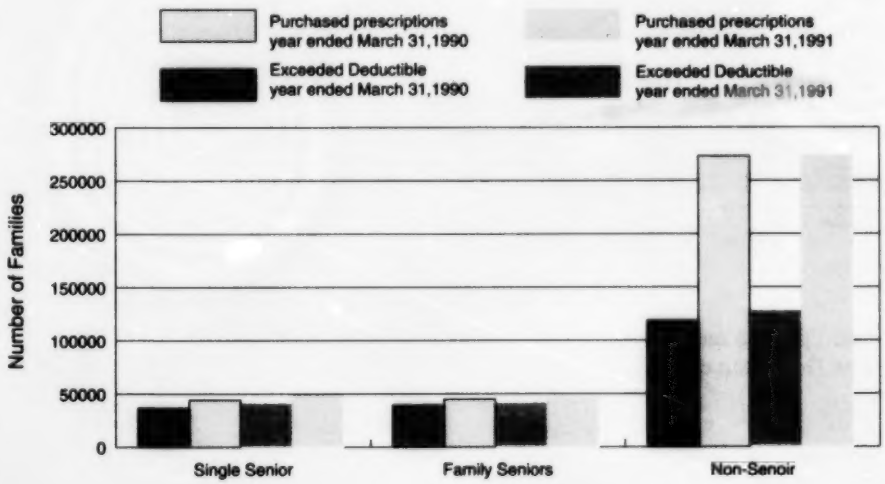
A total of 366,930 family units received prescriptions under the deductible plan. Of these family units 206,095 exceeded deductibles of which; 40,086 were senior families (at least one member 65 or over), 39,860 were single seniors, 126,149 were non-senior families.

In this same period under the deductible plan, senior families received an average of 26.9 prescriptions, single seniors received an average of 17.6 prescriptions, and non-senior families received an average of 9.6 prescriptions.

Figure 4 presents the number of families that purchased prescriptions and that received benefits after exceeding the deductible. The highest percent to exceed the deductible were family seniors where 88.2% of the 45,460 families purchasing prescriptions received a benefit. The deductible was exceeded by 82.2% of the 48,475 single seniors and by 46.2% of the 272,995 non-senior families purchasing prescriptions.

Figure 4

Families Purchasing Prescriptions and Received Benefits



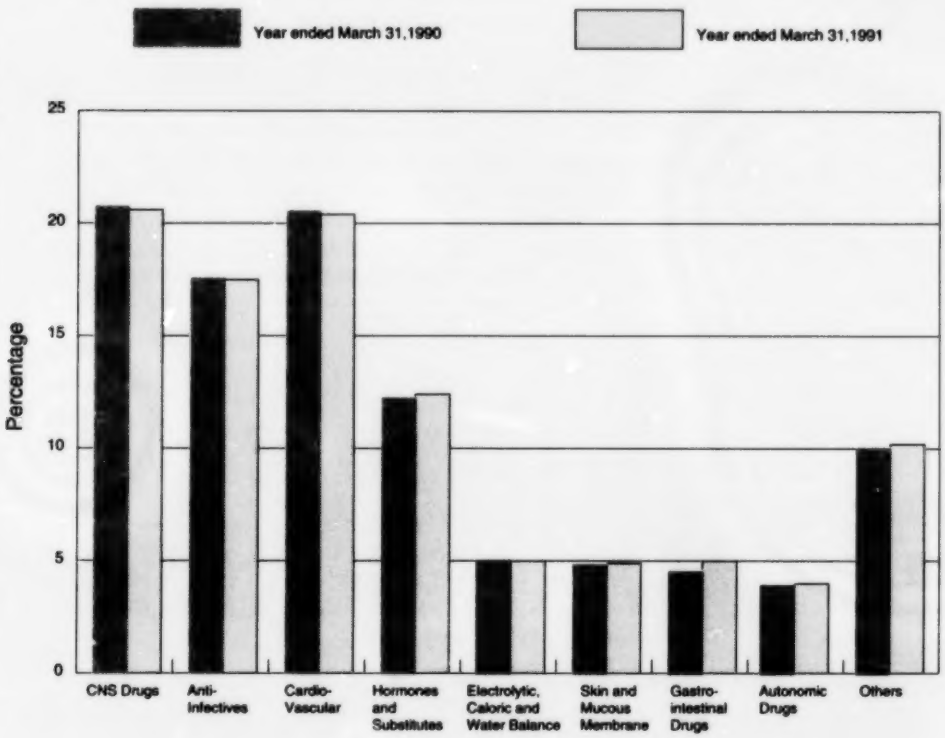
Drugs

During 1990-91, the Prescription Drug Plan provided coverage for 5.56 million prescriptions for a total payment to pharmacies and individuals of $89.65 million.

Table VIII shows prescription volume and Prescription Drug Plan expenditures by Pharmacologic-Therapeutic Classification. Four categories, Central Nervous System (CNS) Drugs, Anti-Infectives, Cardiovascular Drugs, and Hormones and Substitutes, accounted for 71.0% of all prescriptions and 66.9% of all Prescription Drug Plan payment.

Figure 5 shows proportional prescription volume by Pharmacologic-Therapeutic Classification.

Figure 5
Prescription Volume by Pharmacologic-Therapeutic Classification



Pharmacies

A total of 334 pharmacy outlets operated under agreement with the Prescription Drug Plan on March 31, 1991. Of these, 70.9% were independent pharmacies, 17.4% were chain outlets, and 6.0% were co-operative.

Table I

Prescription Drug Plan Payments

Statistical Tables		
Payments to or on behalf of families (exempt from deductible program)		
Drug Material Acquisition Cost	$ 15,588,241	
Mark-up	1,766,410	
Dispensing Fee Subsidy	3,413,299	
Total Payments for families exempt from deductible		$ 20,767,950
Payments to or on behalf of Families (deductible program)		
Total Payments for families subject to deductible April 1990 — March 1991 (Table II)		$ 68,883,563
Total Prescription Drug Plan Payments[1]		$ 89,651,513
Manual Adjustments[2]		1,581
Net Payments		$ 89,653,094
Financial Statements		
Payments to Pharmacies and Families[3]		$ 89,653,094

[1] Drug Plan payments refer to formulary drugs and exception status drugs. All Statistical Tables do not reflect manual adjustment expenditures.

[2] Manual adjustments include year-end adjustments made in accordance with accounting policies and other adjustments.

[3] See Statement of Revenue, Expenditure and Fund Balance page 27.

Table II

Prescription Drug Plan Payments to or on behalf of Families Under Deductible Program

	April-December 1990 Prescriptions	January-March 1991 Prescriptions	Total
Payments to or on behalf of Families			
Drug Material Acquisition Cost	$59,137,343	$17,543,539	$ 76,680,882
Mark-up	6,740,059	2,112,595	8,852,654
Dispensing Fees	21,794,552	6,787,963	28,582,515
Total Approved Prescription Cost	87,671,954	26,444,097	114,116,051
Less: Deductible Credits	13,848,289	13,860,401	27,708,690
	73,823,665	12,583,696	86,407,361
Less Family Co-Payment 20% and 25%	14,764,733	2,759,065	17,523,798
Total Prescription Drug Plan Payments to or on behalf of Families	$59,058,932	$ 9,824,631	$ 68,883,563

Table III

Prescription Drug Utilization by Family Unit Type

Family Unit Type	Number of Family Units	Number of Prescriptions	Drug Material Cost	Approved Prescription Cost	Net Family Payments[1]	Drug Plan Payment
Under Deductible Program						
Under 65	272,995	2,612,537	$46,180,659	$62,060,150	$30,356,822	$31,703,328
Family 65 and over	45,460	1,220,988	24,252,706	31,685,908	9,019,671	22,666,237
Single 65 and over	48,475	851,587	15,100,171	20,369,993	5,855,995	14,513,998
Exempt from Deductible						
Under 65	37,156	464,106	9,928,659	12,647,179	606,902	12,040,277
Family 65 and over	5,873	99,107	2,144,265	2,713,406	279,998	2,433,408
Single 65 and over	11,219	293,310	4,617,237	6,436,414	774,517	5,661,897
Others[2]	300	20,427	664,490	787,602	155,234	632,368

[1] Net Family Payments is the net cost to a family being the total of the deductible and the 20% and 25% not reimbursed by the Drug Plan.

[2] Families submitting claims where, due to adjustment in family structures, a deductible was waived.

Table IV

Prescription Cost to Families Under Deductible Program

April 1990 - March 1991

Cost to Family Unit	Number of Family Units	Number of Prescriptions[1]	Drug Material Cost[2]	Approved Prescription Cost	Net Family Payments[3]	Total Drug Plan Payment
$ 00.01 - 25.00	61,304	88,001	$ 495,105	$ 1,029,580	$ 867,310	$ 162,270
25.01 - 50.00	50,482	161,605	1,420,677	2,403,469	1,852,467	551,002
50.01 - 75.00	40,664	226,034	2,271,015	3,643,157	2,521,477	1,121,680
75.01 - 100.00	36,368	297,592	3,326,918	5,133,953	3,176,071	1,957,882
100.01 - 125.00	34,284	371,174	4,633,879	6,889,006	3,854,202	3,034,804
125.01 - 150.00	31,934	415,937	5,754,107	8,281,545	4,379,690	3,901,855
150.01 - 175.00	25,322	406,478	6,117,724	8,593,497	4,102,439	4,491,058
175.01 - 200.00	18,908	365,144	5,961,722	8,188,460	3,533,526	4,654,934
200.01 - 225.00	14,593	330,171	5,801,999	7,821,225	3,092,933	4,728,292
225.01 - 250.00	11,409	294,052	5,567,032	7,365,529	2,704,392	4,661,137
250.01 - 275.00	9,124	261,718	5,333,100	6,934,216	2,390,416	4,543,800
275.01 - 300.00	7,034	226,571	4,961,490	6,348,798	2,017,725	4,331,073
300.01 - 400.00	14,860	591,217	14,400,746	18,008,608	5,083,597	12,925,011
400.01 - 500.00	5,963	311,502	8,577,677	10,488,119	2,638,050	7,850,069
500.01 and over	4,681	337,916	10,910,345	12,986,889	3,018,193	9,968,696
All	366,930	4,685,112	$85,533,536	$114,116,051	$45,232,488	$68,883,563

[1] Refers to formulary drugs and exception status drugs.

[2] Includes mark-up on drug acquisition cost.

[3] Net Family Payments is the net cost to a family being the total of the deductible and the 20% (25% effective March 8, 1991) family co-payment for prescription cost over the deductible.

Table V

Prescription Cost to Families Exempt from Deductible Program

April 1990 - March 1991

Cost to Family (Consumer Cost)	Number of Active Families	Number of Prescriptions[1]	Drug Material Cost[2]	Approved Prescription Cost	Net Family Payments[3]	Total Drug Plan Payment
$ 0	14,517	236,511	$ 5,586,772	$ 7,016,096	$ —	$ 7,018,682
0.01 - 25.00	23,584	157,800	2,382,420	3,292,419	212,007	3,080,412
25.01 - 50.00	6,300	110,033	2,053,366	2,677,506	225,482	2,452,024
50.01 - 75.00	2,892	67,221	1,291,494	1,685,725	176,455	1,509,270
75.01 - 100.00	2,100	58,252	1,101,701	1,450,865	181,518	1,269,347
100.01 - 125.00	1,269	41,996	803,284	1,056,896	141,865	915,031
125.01 - 150.00	944	35,613	665,227	883,781	128,751	755,030
150.01 - 175.00	758	32,207	574,112	773,657	122,436	651,221
175.01 - 200.00	510	24,719	449,889	602,970	95,577	507,393
200.01 - 225.00	429	22,376	435,736	574,906	90,729	484,177
225.01 - 250.00	320	18,132	318,953	432,025	75,503	356,522
250.01 - 275.00	228	13,740	284,828	370,144	59,815	310,329
275.01 - 300.00	148	9,773	199,990	260,884	42,296	218,588
300.01 - 400.00	280	22,702	442,863	585,017	94,911	490,106
400.01 - 500.00	114	10,236	237,985	300,997	50,774	250,223
500.01 and over	155	15,639	526,031	620,713	121,118	499,595
	54,548	876,950	$17,354,651	$22,584,601	$1,816,651	$20,767,950

[1] Refers to formulary drugs and exception status drugs.

[2] Includes mark-up on drug acquisition cost.

[3] Refers to the prescription charge or the 20% (25% effective March 8, 1991) paid by the consumer on drugs exempt from deductible.

Table VI

Prescription Drug Utilization by Age and Sex of Consumer

Age of Consumer	Active Beneficiaries	Number of Prescriptions	Drug Material Cost	Dispensing Fee	Total Drug Plan Payment
April 1990-March 1991 (as submitted for all prescriptions to all beneficiaries)					
Male					
0 - 4	31,115	124,223	$ 1,293,300	$ 763,728	$ 994,942
5 - 14	44,351	137,864	2,126,006	843,383	1,611,489
15 - 24	36,583	123,053	2,120,350	730,379	1,528,759
25 - 34	42,747	171,446	3,010,519	1,023,866	2,278,865
35 - 44	39,227	212,449	4,391,663	1,280,363	3,536,873
45 - 54	28,281	229,751	5,270,058	1,382,540	4,353,539
55 - 64	30,897	361,228	8,521,829	2,180,585	7,385,066
65 - 74	27,859	417,365	9,179,581	2,524,618	8,624,589
75 - 84	18,358	327,024	6,161,986	2,000,591	6,085,008
85 and over	5,744	108,286	1,667,255	676,310	1,800,396
Male Total	305,162	2,212,689	$ 43,742,547	$13,406,363	$38,199,526
Female					
0 - 4	29,002	106,381	$ 972,684	$ 654,930	$ 737,100
5 - 14	44,851	133,500	1,759,415	818,122	1,314,901
15 - 24	55,510	267,041	4,615,989	1,611,882	2,825,545
25 - 34	63,885	352,165	6,399,453	2,125,069	4,392,355
35 - 44	47,195	303,563	5,430,872	1,834,509	4,262,053
45 - 54	33,765	341,727	6,283,262	2,069,295	5,234,078
55 - 64	34,831	466,216	9,256,015	2,813,528	8,223,612
65 - 74	36,067	612,884	11,968,635	3,729,055	11,464,149
75 - 84	26,735	534,607	9,232,863	3,297,535	9,336,777
85 and over	11,038	231,289	3,226,452	1,452,177	3,661,417
Female Total	382,879	3,349,373	$ 59,145,640	$20,406,102	$51,451,987
Both Sexes					
0 - 4	60,117	230,604	$2,265,984	$1,418,658	$1,732,042
5 - 14	89,202	271,364	3,885,421	1,661,505	2,926,390
15 - 24	92,093	390,094	6,736,339	2,342,261	4,354,304
25 - 34	106,632	523,611	9,409,972	3,148,935	6,671,220
35 - 44	86,422	516,012	9,822,535	3,114,872	7,798,926
45 - 54	62,046	571,478	11,553,320	3,451,835	9,587,617
55 - 64	65,728	827,444	17,777,844	4,994,113	15,608,678
65 - 74	63,926	1,030,249	21,148,216	6,253,673	20,088,738
75 - 84	45,093	861,631	15,394,849	5,298,126	15,421,785
85 and over	16,782	339,575	4,893,707	2,128,487	5,461,813
Grand Total	688,041	5,562,062[1]	$102,888,187[2]	$33,812,465[3]	$89,651,513[4]

[1] Refers to formulary and exception status drugs.

[2] Includes mark-up on drug acquisition cost.

[3] The Dispensing fee charged by pharmacy for the prescriptions dispensed.

[4] Drug Plan Payment is the total of the Drug Material Cost and Dispensing fee; less deductibles, the 20% (25% effective March 8, 1991), and prescription charges paid by the consumer to the pharmacy.

Table VII

Prescription Drug Use by Type of Beneficiary

Type of Beneficiary	Active Beneficiaries	Number of Prescriptions[2]	Total Drug Plan Payment
April 1990-March 1991			
Standard Beneficiaries	621,309	4,685,112	$68,883,563
Standard Beneficiaries[3]	13,798	159,768	4,171,286
Saskatchewan Assistance Plan Recipients			
— Prescription Charge Subsidized (Plan One)	22,040	175,424	3,859,425
— Prescription Charge Fully Covered			
Special Drugs for Plan One	4,579	20,771	541,986
Dependents of Plan One to Age 18	15,504	54,582	950,045
Plans Two and Three	10,674	193,022	3,984,511
Special Beneficiaries			
— Paraplegics	1,030	19,685	580,836
— Cystic Fibrosis	111	2,751	276,380
— Chronic Renal Disease	362	13,813	984,686
— Other	1	3	234
Nursing Home Residents	7,327	206,737	3,649,329
Special Drug Coverage	536	19,351	602,025
Palliative Care	647	9,763	458,737
Special Drugs	245	1,280	708,470
Total	688,041[1]	5,562,062	$89,651,513

[1] Total does not equal this column because a beneficiary may be covered in more than one category during the fiscal year.

[2] Refers to formulary and exception status drugs.

[3] Beneficiaries for whom insulin, testing agents, and provisional special drug coverage claims were paid.

Table VIII

Prescriptions by Pharmacologic — Therapeutic Classification

Pharmacologic — Therapeutic Classification[1]		Number of Prescriptions[2]	Drug Material Cost[3]	Total Drug Plan Payment
As submitted for all beneficiaries				
8:00	Anti-Infectives	975,303	$ 9,234,171	$ 6,799,955
12:00	Autonomic Drugs	224,434	4,981,991	4,475,920
20:00	Blood Formation and Coagulation	30,617	670,550	617,199
24:00	Cardiovascular Drugs	1,137,638	29,135,329	25,686,464
28:00	Central Nervous System Drugs	1,144,388	18,777,131	17,496,117
36:00	Diagnostic Agents	46,601	1,933,809	1,801,579
40:00	Electrolytic, Caloric and Water Balance	275,819	1,044,972	1,910,461
48:00	Cough Preparations	138	8,911	9,033
52:00	Eye, Ear, Nose and Throat Preparations	218,781	3,424,453	2,724,719
56:00	Gastrointestinal Drugs	276,212	9,290,687	7,798,104
60:00	Gold Compounds	2,063	132,319	108,224
64:00	Metal Antiagonists	1,980	110,212	97,129
68:00	Hormones and Substitutes	689,229	12,218,326	10,002,532
76:00	Oxytocics	259	1,237	778
84:00	Skin and Mucous Membrane Preparations	270,980	3,807,559	2,808,452
86:00	Spasmolytics	58,707	1,087,353	1,056,136
88:00	Vitamins	31,291	199,928	257,886
92:00	Unclassified	177,622	6,829,249	6,000,825
Total		5,562,062	$102,888,187	$89,651,513

[1] The drug classification system used is that of the American Society of Hospital Pharmacists.

[2] Refers to formulary drugs and exception status drugs.

[3] Includes Mark-up on drug acquisition cost.

Table IX

Pharmacies by Location

Location of Pharmacy	Number of Pharmacies[1]
Single Pharmacy Communities	89
2 - 5 Pharmacy Communities	69
Communities With More Than 5 Pharmacies	
Estevan	6
Moose Jaw	10
North Battleford	7
Prince Albert	13
Regina	45
Saskatoon	58
Swift Current	8
Yorkton	9
Dispensing Doctors	14
Border Pharmacies	6
Total	334

[1] Includes all pharmacies operating under agreement with the Prescription Drug Plan on March 31, 1991.

Table X

Pharmacies by Type of Ownership

Type of Ownership	Pharmacies[1] Number	Percent
Independent	237	70.9
Chain[2]	58	17.4
Co-operatives	20	6.0
Dispensing Doctor	14	4.2
Hospital Outpatient	5	1.5
Total	334	100.0

[1] Includes all pharmacies operating under agreement with the Prescription Drug Plan on March 31, 1991.

[2] Defined as common ownership of four or more stores.

Table XI

Drug Acquisition Cost by Manufacturer

Manufacturer	Drug Material Acquisition Cost
Abbott Laboratories Ltd.	$ 1,257,382
Akorn Pharmaceuticals Canada	10,467
Alcon Canada Inc.	280,880
Allergan Inc.	481,566
Apotex Inc.	6,937,501
Astra Pharmatek/Astra Labs	557,317
Ayerst Laboratories	1,746,855
Beecham Laboratories Inc.	395,867
Berlex Canada Inc.	161,846
Boehringer Ingelheim (Canada) Ltd.	1,257,798
Boehringer Mannheim (Canada) Ltd.	972,732
Bristol Laboratories of Canada	737,988
Burroughs Wellcome Inc.	986,718
Ciba Geigy	21,627
Ciba Pharmaceuticals	1,744,665
Connaught Novo Ltd.	1,133,985
Cutter Laboratories	181,868
Deprenyl Research Laboratories	335,575
Du Pont Canada, Inc.	920,387
Paul Elder Pharmaceuticals Inc.	20,923
Ferring Inc.	81,669
Fisons Corporation Ltd.	1,817,921
Flint Laboratories of Canada	17,934
Frosst	4,286,482
Geigy Pharmaceuticals	3,917,862
Genpharm Inc.	240,683
Glaxo Laboratories	5,824,549
Glenwood Inc.	15,455
Hoechst Canada Inc.	990,602
Hoffmann-LaRoche Ltd.	1,127,381
Hollister-Stier Canada	5,694
Frank W. Horner Inc.	156,474
I.C.I. Pharma	1,068,981
ICN Canada Ltd.	188,398
Interfalk Canada Inc.	69,900
Iolab Canada Inc.	47,510
Janssen Pharmaceutica Inc.	1,157,806
Kenral Inc.	366,161
Key Pharmaceuticals Canada	12,399
Knoll Pharmaceuticals Canada Inc.	110,969
Lederle Cyanamid Canada Inc.	989,081
Lee-Adams Laboratories	7,168
Leo Laboratories Canada Ltd.	180,837
Lifescan Medical Products	577,755
Eli Lilly Canada Inc.	3,696,218
McNeil Pharmaceutical (Canada) Ltd.	738,537
Medican Pharma	11,297

— Continued next page

Manufacturer	Drug Material Acquisition Cost
Medisense Canada Inc.	93,654
Merck Sharp & Dohme Canada	6,187,433
Merrell Dow Pharmaceuticals (Canada) Inc.	701,925
Miles Pharmaceuticals	2,945,130
Nadeau Laboratory Ltd.	9,536
Nordic Laboratories Inc.	4,195,011
Norwich-Eaton	1,363,742
Novopharm Ltd.	3,260,358
Nu-pharm Inc.	189,027
Organon Canada Ltd./Ltee	84,782
Ortho Pharmacetical (Canada) Ltd.	1,607,356
Parke-Davis Canada Inc.	2,125,757
Pfizer Canada Inc.	1,103,169
Pharmacia (Canada) Inc.	28,767
Pharmascience Inc.	163,832
Princeton Pharmaceuticals Products	230,575
Purdue Frederick Inc.	541,815
Reed & Carnrick	44,620
Rhodiapharm	13,297
Rhone-Poulenc Pharma Inc.	1,002,670
Rhone-Poulenc Rorer	1,053,243
Riker Canada Inc.	62,291
A. H. Robins Canada Inc.	186,554
Rorer Canada Inc.	168,741
Roussel Canada Inc.	1,055,547
Sandoz Canada Inc.	1,995,424
Schering Canada Inc.	814,299
G. D. Searle & Co. of Canada Ltd.	2,457,578
Smith Kline & French Canada Ltd.	557,925
Squibb Canada Inc.	3,024,233
Stanley Drug Products Ltd.	58,821
Stiefel Canada Inc.	90,864
Syncare	715,632
Syntex Inc.	712,988
Taro Pharmaceuticals Inc.	189,190
Technilab Inc.	26,907
Trans Canaderm Inc.	63,089
The Upjohn Company of Canada	995,255
Westwood Pharmaceuticals	176,218
Winthrop Laboratories	641,795
Wyeth Ltd.	2,522,694
Extemporaneous Preparations[1]	931,866
Others (each under $5,000)	25,843
Total	$92,269,123

[1] Extremporaneous Preparations are compounded by the pharmacist.

Financial Statements

Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of revenue, expenditure and fund balance of the Saskatchewan Prescription Drug Fund for the year ended March 31, 1991. This financial statement is the responsibility of the Fund's management. My responsibility is to express an opinion on this financial statement based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, this financial statement presents fairly, in all material respects, the financial position of the Fund as at March 31, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statement.

W. K. Strelioff

Regina, Saskatchewan
May 17, 1991

W. K. Strelioff, C.A.
Provincial Auditor

Financial Statements

Year Ended March 31, 1991

Statement 1

Saskatchewan Prescription Drug Fund
Statement of Revenue, Expenditure and Fund Balance
Year Ended March 31

	1991	1990
Revenue:		
Grant — Department of Health	$ 89,671,612	$ 76,119,894
Other	600	10,342
	89,672,212	76,130,236
Expenditure:		
Payments to Pharmacies	89,389,404	75,331,588
Payments to Families	263,690	523,914
Drug Cost Advances (Recoveries) (Note 4)	—	(86,372)
Other	—	323,556
	89,653,094	76,092,686
Excess of revenue over expenditure	19,118	37,550
Fund balance, beginning of year	49,817	12,267
Repayment of previous year's fund balance	(49,817)	—
Fund balance, end of year	$ 19,118	$ 49,817

(see accompanying notes)

Saskatchewan Prescription Drug Fund
Notes to the Financial Statement
March 31, 1991

1. Authority

The Saskatchewan Prescription Drug Fund was established under the authority of Subsection 8(1) of The Prescription Drugs Act, effective April 1, 1975. It is used to account for a program established under that Act to provide assistance to residents of Saskatchewan in purchasing drugs they require for preventative, diagnostic or therapeutic purposes.

2. Accounting Policies

a) Basis of Accounting

The accounts of the Saskatchewan Prescription Drug Fund are maintained on a modified cash basis for a fiscal year commencing on April 1 and ending on March 31. Revenues are recorded as received and expenditures are charged to the accounts when payment is made. In addition, revenues received in April which apply to the preceding fiscal year are taken into revenue of the preceding fiscal year, and payments made during April for family claims and pharmacy claims received by March 31 are recorded as expenditures of the preceding fiscal year.

b) Grant — Department of Health

Pursuant to The Prescription Drugs Act, monies appropriated by the Legislature for the purpose of the Act are credited to the Fund. Amounts received from the appropriation in excess of operating expenditures of the year are returned to the Consolidated Fund of the Province of Saskatchewan at the end of the year, reducing the reported amount of the grant. The Fund balance at year end is comprised of bank account balances. It is repayable to the Consolidated Fund.

3. Related Party Transactions

In accordance with established government policy, the Fund has not been charged with certain costs including occupancy, office services and personnel administration. These costs have been absorbed by various departmental appropriations. In addition, the Finance and Administration Branch of the Department of Health is responsible for all remaining administration costs of the Fund. No provision for these costs is reflected in these financial statements.

4. Drug Cost Advances (Recoveries)

In certain situations, the Fund advances payment for the cost of drugs on behalf of the Supplemental Health Program and the Saskatchewan Aids to Independent Living Program of the Department of Health. The Department reimburses the Fund for these costs. If there is a balance unrecovered at year end, it is reflected as "advances". Receipt of this balance in the subsequent year is reflected as "recoveries".